

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Perry Fotopoulos
DOCKET NO.: 03-29408.001-C-1 through 03-29408.003-C-1
PARCEL NO.: See below.

The parties of record before the Property Tax Appeal Board are Perry Fotopoulos the appellant, by attorney Stephanie Park of Chicago and the Cook County Board of Review.

The subject property consists of 13,600 square foot parcel improved with a 73-year old, one-story and part two-story commercial building. Located in West Chicago Township, the improvement is masonry construction containing 8,400 square feet of building area. The subject has a 1.62:1 land to building ratio.

The appellant, through counsel, appeared before the Property Tax Appeal Board arguing that the fair market value of the subject was not accurately reflected in its assessed value. In support of that argument, an appraisal report was proffered. The report was authored by Robert S. Kang of Peterson Appraisal Group, Ltd., Chicago. The appraisal revealed that Mr. Kang is State of Illinois certified real estate appraiser. The appraiser was not present at the hearing.

After an examination of the subject site, building, neighborhood and environs, the report indicated the appraiser determined the subject's highest and best use as improved; its current use.

To estimate a fair market value for the subject of \$800,000 as of January 1, 2003, the appraiser employed the three classic approaches to value.

In the cost approach, the appraiser estimated a value for the subject site using the sales of five parcels located in the subject's general area. The comparables ranged in size from 4,500 to 27,448 square feet of land area and were sold from

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Cook County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO.	PARCEL NO.	LAND	IMPR.	TOTAL
03-29408.001-C-1	17-08-327-042-0000	\$10,857	\$ 14,371	\$ 25,228
03-29408.002-C-1	17-08-327-043-0000	\$12,302	\$252,887	\$265,189
03-29408.003-C-1	17-08-327-006-0000	\$12,536	\$ 1,047	\$ 13,583

Subject only to the State multiplier as applicable.

January 200 to December 2002 for prices ranging from \$10.78 to \$36.00 per square foot of land area. After adjustments to the sales for property rights conveyed, financing terms, conditions of sale, market conditions, location and unique characteristics, the appraiser estimated a land value for the subject of \$30.00 per square foot of land area or \$408,000. Replacement cost of \$830,000 was estimated based on *Marshall Valuation Service* data. Employing the age/life method to estimate depreciation of the building and site improvements, the appraiser utilized 50%, or \$415,000, as the subject's accrued depreciation from all causes. The estimated land value added to the estimated depreciated value of the subject improvements resulted in an estimated value for the subject of \$825,000, rounded, via the cost approach.

The next approach to value in the appraisal was the income approach to value. The appraiser surveyed five rental properties located in the subject's general area. The surveyed properties had net rents ranging from \$4.00 to \$10.50 per square foot of leased area. After an analysis of the comparables' location, size, age, and other relevant factors, the appraiser estimated \$11.00 per square foot of building area as a reasonable rent for the subject, or a potential gross income (PGI) of \$92,400. A deduction for vacancy and collection loss of 7% or \$6,468 was taken to conclude an effective gross income (EGI) of \$85,932. Allowable expenses of \$12,345 were deducted from the EGI to conclude an estimated net operating income (NOI) of \$73,587.

A capitalization rate of 9.5% for the subject was developed utilizing the band of investment and the market extraction techniques. This was applied to the subject's estimated NOI to indicate a value of \$775,000, rounded, through the income capitalization approach to value.

The appraiser selected the sales of five commercial buildings located in areas similar to the subject's general area. The parcels range in size from 10,800 to 25,500 square feet of land area and the improvements range from 10,000 to 30,700 square feet of building area. The comparables sold from April 2000 to April 2002 for prices ranging from \$56.32 to \$123.44 per square foot of building area including land, unadjusted. The appraiser analyzed the sales of the comparables and adjusted them for property rights conveyed, financing terms, conditions of sale, market conditions, location and other unique characteristics. From this information, the appraiser determined an estimated value of \$800,000, rounded, for the subject through the sales comparison approach to value.

In the reconciliation, the appraiser placed the most emphasis on the sales comparison approach, with secondary emphasis on the cost approach, and minimum emphasis was placed on the income

approach to value. The appraiser's final opinion of the subject's a fair market value was \$800,000 as of January 1, 2003.

Based on the appraisal evidence, the appellant requested a reduction in the subject's improvement assessment.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$319,203 was disclosed. The subject's final assessment reflects a fair market value of \$840,008, when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5a properties such as the subject is applied. In support, the board of review offered a memorandum indicating the sales of five properties suggests an unadjusted range of from \$100.14 to \$146.43 per square foot of building area supports the current assessment. CoStar Comps sales sheets for the five comparables were offered in support. The comparable properties range from four to one hundred-three years old; in building size from 6,000 to 9,911 square feet and in land size from 4,126 to 11,616 square feet. These properties were sold from February 2001 to July 2004. Based on the foregoing, the board of review requested confirmation of the subject's assessment.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds it has jurisdiction over the parties and the subject matter of this appeal. The issue before the Property Tax Appeal Board is the subject's fair market value. Next, when overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 728 N.E.2d 1256 (2nd Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. Section 1910.65 *The Official Rules of the Property Tax Appeal Board* (86 Ill.Adm.Code §1910.65(c)). Having heard the testimony and considered the evidence, the Board concludes that the appellant has satisfied this burden.

The Property Tax Appeal Board finds that the best evidence in the record of the subject's fair market value as of January 1, 2003 is the appraisal report submitted by the appellant. The appellant presented an appraisal utilizing the three classic approaches to value. Each approach to value contained credible data and a concluded estimate of value based on a well reasoned analysis of the data. The appraiser relied most heavily on the sales comparison approach and each sale presented was described with appropriate adjustments made to each property when compared

to the subject. Although the least weight was accorded to the income approach by the appraiser, each step to estimate a value for the subject was followed carefully. Again, in the cost approach to value, the appraiser followed appropriate methodology even though secondary emphasis was placed on this approach to value. The Board finds that the appraiser's final conclusion to value to be well reasoned and aligned with the conclusions reached in each approach to value.

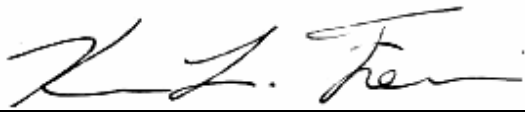
In contrast, the board of review presented only raw sales data without adjustments or analysis of the comparables and their comparability to the subject. The Board finds the board of review's presentation of five sales without any meaningful analysis merely anecdotal. Therefore, the Property Tax Appeal Board places significant weight on the appellant's appraisal and places no weight on the board of review's evidence. As a result of this analysis, the Property Tax Appeal Board finds the appellant has adequately demonstrated that the subject is overvalued by a preponderance of the evidence.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of \$800,000, as of January 1, 2003. Since the fair market value of the subject has been established, the Board finds that the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5a properties such as the subject shall apply and a reduction is accordingly warranted.


This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



Chairman



Member



Member

Member

Member

DISSENTING: _____

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: February 29, 2008



Clerk of the Property Tax Appeal Board

IMPORTANT NOTICE

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the

subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.